



**SPECIAL OPEN MEETING OF THE BUDGET WORKSHOP OF THE BOARD OF
DIRECTORS OF THIRD LAGUNA HILLS MUTUAL
VILLAGE MANAGEMENT SERVICES
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Thursday, March 30, 2023 – 9:30 a.m.
24351 El Toro Road, Laguna Woods, California
Board Room**

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings in-person and virtually. To submit comments or questions virtually for committee meetings, please use one of the following options:

1. Join the committee meeting via Zoom by clicking this link:
<https://us06web.zoom.us/j/92081839160> or by calling 1-669-900-6833, Webinar ID: 92081839160.
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.

NOTICE OF MEETING AND AGENDA

This Meeting May Be Recorded

1. Call Meeting to Order – Mark Laws, Third President
2. Approval of the Agenda
3. Member Comments (Items not on the agenda)
4. Budget Workshop: 2023 Service Level Review
 - Maintenance & Construction – Manuel Gomez
 - General Services – Robert Carroll
 - Landscape Services – Kurt Wiemann
5. Director Comments
6. Adjournment

**THIRD LAGUNA HILLS MUTUAL
2023 PLAN
PROGRAMS REPORT**

DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
PLUMBING SERVICE	\$827,584	\$828,543	\$716,714	\$704,474	\$744,807	\$40,333	6%
CARPENTRY SERVICE	149,952	515,640	424,622	510,004	568,563	58,560	11%
PEST CONTROL	194,008	87,989	366,892	174,633	360,000	185,367	106%
FIRE PROTECTION	86,599	101,400	88,415	144,380	144,347	(32)	(0%)
ELECTRICAL SERVICE	99,796	107,651	126,478	115,944	115,140	(804)	(1%)
APPLIANCE REPAIRS	130,996	115,550	84,181	93,270	98,270	4,999	5%
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	58,234	11,191	39,560	58,664	48,664	(10,000)	(17%)
SOLAR MAINTENANCE	28,149	23,981	14,348	25,000	35,000	10,000	40%
STREET LIGHT MAINTENANCE	0	0	0	0	17,000	17,000	100%
GUTTER CLEANING	132,957	29,988	0	0	0	0	0%
CURB CUTS	10,000	0	0	0	0	0	0%
TOTAL	\$1,718,276	\$1,821,933	\$1,861,209	\$1,826,368	\$2,131,791	\$305,423	17%

Line 9 Funding for this Line was moved from Reserves to Operating in 2023.

Line 10 Funding for this Line is included in General Services under the Gutter Cleaning Line.

OPERATING FUND - GENERAL SERVICES

12 JANITORIAL SERVICE	\$882,450	\$963,848	\$979,609	\$977,822	\$949,851	(\$27,971)	(3%)
13 CONCRETE SERVICE	393,686	348,028	403,056	369,462	371,540	2,079	1%
14 GUTTER CLEANING	41,466	123,469	73,777	160,758	161,337	579	0%
15 WELDING	99,041	111,697	118,439	126,349	110,964	(15,385)	(12%)
16 TRAFFIC CONTROL	14,238	14,118	20,648	22,074	22,058	(16)	(0%)
TOTAL	\$1,430,881	\$1,561,161	\$1,595,528	\$1,656,465	\$1,615,751	(\$40,714)	(2%)

OPERATING FUND - LANDSCAPE

17 GROUNDS MAINTENANCE	2,910,763	3,035,110	3,035,959	3,211,025	\$3,308,668	97,643	3%
18 IRRIGATION	1,043,777	1,051,492	1,002,546	1,040,845	1,039,801	(1,045)	(0%)
19 PEST CONTROL	291,533	313,692	377,679	383,391	413,642	30,251	8%
20 LANDSCAPE ADMINISTRATION	148,803	145,024	316,948	341,287	358,085	\$16,798	5%
21 NURSERY & COMPOSTING	257,239	237,480	276,053	290,925	250,330	(40,595)	(14%)
22 SMALL EQUIPMENT REPAIR	204,044	206,371	233,039	227,135	208,268	(18,867)	(8%)
23 TREE MAINTENANCE	(5,498)	1,082	0	0	0	0	0%
TOTAL	\$4,850,661	\$4,990,251	\$5,242,224	\$5,494,608	\$5,578,793	\$84,185	2%

Line 23 Funding for this item moved to reserves in 2020.

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DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
BUILDING NUMBERS	\$33,961	\$0	\$14,088	\$0	\$0	\$0	0%
BUILDING STRUCTURES	2,534,260	1,404,870	2,091,312	2,502,042	2,054,840	(447,203)	(18%)
ELECTRICAL SYSTEMS	50,400	16,690	16,588	30,000	30,000	0	0%
ENERGY PROJECTS	27,491	923	0	0	0	0	0%
EXTERIOR LIGHTING	59,319	760,369	24,840	25,000	12,500	(12,500)	(50%)
FENCING	123,758	57,416	73,009	63,996	82,765	18,770	29%
GARDEN VILLA LOBBY	111,162	109,636	111,882	12,000	0	(12,000)	(100%)
GARDEN VILLA MAILROOM	75,477	32,510	300	412	431	20	5%
GARDEN VILLA RECESSED AREAS	40,436	65,016	0	0	0	0	0%
GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER	23,584	12,473	7,859	2,984	5,245	2,262	76%
GUTTERS	39,017	134,135	(15,844)	78,926	113,127	34,201	43%
MAILBOXES	29,282	63,844	37,175	9,143	25,180	16,037	175%
PAINT PROGRAM	2,031,797	1,619,789	1,527,920	1,586,079	1,597,812	11,733	1%
PRIOR TO PAINT	1,228,861	915,496	1,024,160	1,166,430	1,167,546	1,117	0%
PAVING/CONCRETE	693,336	695,094	618,985	433,960	439,421	5,461	1%
ROOFS	1,550,899	1,429,531	1,341,440	1,461,792	1,468,968	7,176	0%
EXTERIOR WALLS	148,913	137,928	29,280	35,000	35,000	0	0%
WASTE LINE REMEDIATION	741,873	417,586	530,595	700,000	1,000,000	300,000	43%
WATER LINES - COPPER PIPE REMEDIATION	199,817	154,939	367,397	500,000	500,000	0	0%
PLUMBING REPLACEMENT	0	0	0	0	200,000	200,000	100%
ELEVATORS	332,267	115,890	151,170	105,000	125,000	20,000	19%
LAUNDRY COUNTERTOP/FLOOR	51,423	62,093	40,498	16,028	59,567	43,539	272%
LAUNDRY APPLIANCES	20,935	46,932	60,836	93,712	101,579	7,866	8%
Supplemental Appropriation	494,597	0	0	0	0		
TOTAL	\$10,148,267	\$8,253,160	\$8,053,489	\$8,822,504	\$9,018,981	\$196,477	2%

Line 24 Beginning in 2022 funding for this item is included in the Paint Program.

RESERVE FUNDS - GENERAL SERVICES

47 PRIOR TO PAINT	\$3,735	\$1,842	\$10,437	\$12,712	\$12,700	(\$12)	(0%)
48 PAVING/CONCRETE	32,375	65,491	68,284	67,606	64,253	(3,353)	(5%)
49 EXTERIOR WALLS	0	0	5,600	24,150	24,150	0	0%
TOTAL	\$36,111	\$67,333	\$84,321	\$104,469	\$101,103	(\$3,366)	(3%)

RESERVE FUNDS - LANDSCAPE

50 LANDSCAPE MODERNIZATION	\$797,341	\$837,542	\$422,111	\$523,702	\$541,671	\$17,969	3%
51 IMPROVEMENT & RESTORATION	0	0	120,344	129,214	177,744	48,530	38%
52 TREE MAINTENANCE	228,647	830,447	843,160	943,424	899,814	(43,610)	(5%)
TOTAL	\$1,025,988	\$1,667,989	\$1,385,615	\$1,596,340	\$1,619,229	\$22,889	1%

**THIRD LAGUNA HILLS MUTUAL
2023 PLAN
PROGRAMS REPORT**

DESCRIPTION		2019	2020	2021	2022	2023	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
53	MOISTURE INTRUSION - RAIN LEAKS	\$873,957	\$707,469	\$253,951	\$237,513	\$260,000	\$22,487	9%
54	MOISTURE INTRUSION - PLUMBING LEAKS	882,146	1,254,082	614,090	400,000	500,000	100,000	25%
55	MOISTURE INTRUSION - PLUMBING STOPPAGES	208,893	151,227	118,104	50,000	75,000	25,000	50%
56	MOISTURE INTRUSION - MISCELLANEOUS	148,226	146,221	14,507	46,548	14,000	(32,548)	(70%)
57	DAMAGE RESTORATION SERVICES	108,912	217,829	162,802	190,935	199,470	8,535	4%
TOTAL		\$2,222,135	\$2,476,828	\$1,163,454	\$924,996	\$1,048,470	\$123,474	13%
DISASTER FUND - LANDSCAPE								
58	FIRE RISK MANAGEMENT	\$31,335	\$106,597	\$83,108	\$180,000	\$180,000	\$0	0%
TOTAL		\$31,335	\$106,597	\$83,108	\$180,000	\$180,000	\$0	0%
DISASTER FUND - FINANCIAL SERVICES								
59	INSURANCE PREMIUMS	\$0	\$918,432	\$1,931,334	\$0	\$0	\$0	0%
TOTAL		\$0	\$918,432	\$1,931,334	\$0	\$0	\$0	0%
GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION								
60	GARDEN VILLA RECREATION ROOMS	\$71,036	\$71,247	\$70,118	\$73,460	\$93,642	\$20,182	27%
TOTAL		\$71,036	\$71,247	\$70,118	\$73,460	\$93,642	\$20,182	27%

**THIRD LAGUNA HILLS MUTUAL
2023 OPERATING EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

The General Maintenance Operating section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

1) Plumbing Service

\$744,807

This item provides funding for the variety of plumbing services related to plumbing components that are the responsibility of the Mutual. The main categories of service include addressing various types of stoppages, leak investigation and remedial work related to plumbing leaks (in-wall, under-slab, etc.). Since 2015, plumbing technicians also perform drywall cuts to expedite repairs to in-wall leaks and pipe re-routes. The technicians are certified to handle the removal/abatement of drywall. This will allow, in most cases, a single visit by one department to a manor for the cutout and repair process. Service levels are based on historical averages of hours, materials, and outside services.

Underground leaks are addressed by certified contractors due to CAL OSHA shoring requirements and asbestos cement pipe (Transite) repair and abatement concerns. A contingency amount is included in the budget for such services.

2) Carpentry Service

\$568,563

This line item provides for response to service requests for carpentry and carpentry-related service work on the Mutual's buildings, carports and laundry facilities. Items addressed through Carpentry Services include, but are not limited to the following:

- Exterior and entry door repair
- Repair/replace entry locks
- Door weather stripping replacement
- Board-up windows/shore up sites
- Building cracks and stucco repair
- Acoustic ceiling repair
- Laundry room window repair
- Insect screen install/repair
- Cabinet repair
- Carport structure repair
- Carport cabinet repair
- Garage door repair
- Patio gate repair
- Vinyl and tile floor repairs
- Removal of bird/animal in wall
- Drywall/texture repair
- Mailbox door and lock repair
- Support scaffolding set-up
- Wall/ceiling insulation replacement

Budgeting for this item is essential to continue maintaining the high service level expected and to complete all necessary maintenance concerns requested by residents for the services described above in a timely manner. These repairs are performed by in-house staff and outside contractors.

3) Pest Control

\$360,000

A licensed pest control contractor provides the Mutual with pest control services for termite eradication and bee removal services. The budget is developed based on historical trends and the existence of termites as identified by the Mutual's pest control contractor. A staff inspector and a representative of the contractor conduct inspections in response to all reported evidence of live termites and upon request at the time a manor is resold. Based on the results of those inspections, a list of buildings requiring fumigation is compiled. Whenever possible, localized treatments of the infested areas will be performed for dry wood termites to minimize the fumigation requirements. Subterranean termites are also treated at the localized point of infestation.

The buildings listed for fumigation typically are scheduled for the following fiscal year and worked into the budget. Fumigation costs are based on a pre-determined contract value per building type. The current contract is with Newport Exterminating.

The projected costs are budgeted in four categories, Local Pest Control Treatments; Fumigation - Tenting; Fumigation - Landscaping (for plant removal); and Fumigation - Lodging. Although not required by the Davis-Stirling Act, Mutual policy is to provide lodging for two nights while the whole-structure fumigation is in process.

The lodging budget is based on the number of units contained in each of the buildings to be fumigated and a contracted rate in place with a local hotel.

The budget for whole structure tenting is based on a weighted average of each building type with costs applied to those buildings based on a pre-determined contract value per building type.

This approach is used to determine budgetary estimates for the Business Plan, as the full list of actual buildings that will require treatment are often not known until after the preparation of a given year's Business Plan.

4) Fire Protection

\$144,347

(A) Fire Alarm System Inspections for All Multi-story Buildings (Work Center 904)

This item addresses bi-annual fire alarm system inspections of 81 3-story buildings.

(B) Fire Extinguisher Service (Work Center 904)

This service, provided by an outside vendor, covers the annual inspection, maintenance and repair or replacement of the 1,300 fire extinguishers located throughout Third Laguna Hills Mutual. This service includes: (1) inspection and replacement (as needed) of various components; (2) replacement of powders and gases; (3) hydrostatic testing when required; (4) proper tagging of fire extinguishers to indicate date of service and certification; (5) replacement

of irreparable or missing extinguishers and extinguishers that must be replaced in accordance with Fire Authority regulations and (6) repair of extinguisher cabinet glass and other parts.

(C) Sprinkler System Service (Work Center 904)

This item is used to address the inspection and servicing of the fire suppression sprinkler systems in the trash chutes of three-story buildings. Sprinkler system service includes certified contractor quarterly inspection of all components of the system and implementation of identified repairs. All work is per NFPA 14 and California Title 19 fire regulations. Staff included funding based on contract pricing for quarterly inspections and provisions for repairs in 2023.

(D) Standpipe Testing (Work Center 904)

This item is used to address the inspection and repair of the Fire Standpipe Systems (Class I or II standpipe systems) in each of the 53 Garden Villa style buildings. NFPA requires semi-annual inspection of these systems. Additionally, NFPA requires flow testing/certification and fire hose pressure testing/certification by a qualified contractor on a five-year schedule or when repairs or use of the system results in the need for certification. The required five-year testing was last completed in 2019; therefore, it is not required again until 2024.

For the 2023 Business Plan, staff included funding for the required annual inspections and a contingency for as needed system repairs determined to be necessary during the inspection processes.

(E) Chimney Cleaning (Work Center 910)

Per Board direction, staff included funding for replacement of missing spark arrestors on original chimneys.

(F) Dryer Vent Cleaning (Work Center 910)

This item is used to address the cleaning of original dryer vent ducts in both laundry facilities and manors with original washer/dryer hookups throughout Third Laguna Hills Mutual. The dryer vents in the LH-21 buildings are cleaned every two years. The next cleaning is due in 2024.

5) Electrical Service **\$115,140**

This item provides funding for the variety of electrical services related to electrical components that are the responsibility of the Mutual, which include the following:

- Repair/replace common area outlets
- Service common area circuit breaker
- Repair underground wiring
- Replace conduit and wiring
- Replace damaged doorbell light
- Replace main breaker
- Repair/replace common area lighting
- Replace common area light bulbs
- Perform miscellaneous service calls

6) Appliance Repairs **\$98,270**

This item addresses repairs to the Mutual’s laundry appliances. The Mutual maintains 455 high-efficiency laundry room washing machines. In 2019, the Mutual installed 370 high-efficiency commercial dryers in common area laundry rooms, and added laundry pedestals to most dryers

in 3-story buildings. Based on a full dryer replacement, staff only provided a minimum budget to address items not covered under the manufacturer's warranty. Budgeting for this item is based on inventory changes for Maytag washing machines and historical trends.

7) Miscellaneous Repairs by Outside Services

\$48,664

This funding is used to address items that are typically repaired by outside contractors. This item also includes funding for other repairs that do not fit into one of the categories below.

As these items are emergent in nature, budgets are based on historical averages, trends and on planned program scopes of work.

(A) Broken Windows

Replacement of broken panes of glass in the Mutual's common area makes up the majority of this category. Also included in this item are repairs and replacements to window frames, weather stripping and hardware that are the responsibility of the Mutual.

(B) Phone Line Repairs

This item is used to address repairs associated with the Mutual's responsibility for providing one working phone line to each manor.

(C) Lead Paint Testing

In 2010, new EPA regulations went into effect requiring special procedures and handling when performing Renovation, Repair and Painting (RRP) of building components where lead-based paint is present. The presence of lead in paint must be determined before proceeding with work that qualifies under the regulations. Determination of the presence of lead paint must be performed by a Certified Lead Inspector/Risk Assessor. This budget is included to pay for the costs of lead testing performed by a Certified Lead Inspector/Risk Assessor on miscellaneous projects that will be completed by an outside service. Staff included an estimated provision for such testing and abatement.

(D) Miscellaneous

This item includes funding for other repairs that require outside services, but that do not fit into one of the above categories. A two-year average of miscellaneous costs was used as the basis for this category.

8) Solar Maintenance

\$35,000

This item provides for the Operation and Maintenance (O&M) services set forth below by an outside contractor in relation to the Third solar energy projects.

Daily:

- Real-time performance monitoring and alert triage
- Product warranty administration (creating/tracking/logging)
- 24/7 customer support

Annually:

- Inverter inspection, maintenance and thermal scans
- DC wiring and electrical equipment inspections, maintenance, thermal scans and performance testing (current at maximum power (IMP) & operating circuit voltage (VOC) on 100% of the strings
- Solar module inspection and thermal scans
- Array racking and component inspection and maintenance
- Inspection, cleaning and maintenance of meters and sensors
- Pyranometer calibration
- Removal of material within arrays and balance of system (BOS)
- Repairs and replacements as required
- Maintenance summary report
- 2x Annual Module cleaning/washing

9) Street Light Maintenance

\$17,000

Funding for this item was moved from Reserves to Operating for the 2023 fiscal year, to provide as needed maintenance services to the existing street light infrastructure and LED fixtures. This budget includes a small contingency for one full pole replacement each year, if necessary.

An outside contractor responds to reported street light outages and will perform repairs or replacements to poles and/or fixtures, as required.

- Curb Cuts
- Balcony/Breezeway Resurfacing
- Building Rehab/Dry Rot
- Roof Repairs
- Paint Touch-up

10) Gutter Cleaning

\$0

Funding for this item is included in General Services under the Gutter Cleaning line.

11) Curb Cuts

\$0

There is no funding projected for this line item.

**THIRD LAGUNA HILLS MUTUALS
2023 OPERATING EXPENDITURES
GENERAL SERVICES**

This section covers the inspection, maintenance and repair of breezeways and common areas for multi-story buildings, carports, laundry rooms, concrete, rain gutters, railing and stairs, and traffic control striping and signage. Primarily, these maintenance items are in response to resident service requests, although many items are planned program work.

12) Janitorial Services

\$949,851

Service levels provided in this category include scheduled janitorial services for breezeways and common areas of multi-story buildings, free-standing laundry buildings, and miscellaneous janitorial services in Mutual common areas and car port cleanings. Budgeting for this category is based on the following established service levels:

Description	Quantity	Times/Year	Hours/Visit
GV Buildings	53	50	3.5
LH-21 Buildings	28	50	2.5
Carport Cleaning	2,682	3	N/A
Laundry Rooms (stand-alone)	44	16	1.4

Multi Story Building Breezeways: As needed

Miscellaneous (Ticket Response): As needed

The Multi-Story Building Breezeways item includes hours for reactive wash downs, by staff to evaluate whether wash downs are required and will take corrective actions based on those investigations. There are 81 three-story buildings and 254 two-story buildings that may require periodic wash downs within the Mutual. Based on water shortages and increased water costs to offer periodic wash downs, the Mutual in recent years offers this service only on an as-requested basis.

13) Concrete Service

\$371,540

This line item addresses pro-active and resident requests for repair or replacement of concrete slabs, walkways and driveways. Concrete repairs include crack filling and grinding-down of walkways that have lifted. Replacement of concrete occurs when lifting exceeds the two-inch grinding capability. Repairs to block trash enclosures or laundry room walls are also addressed under this budget item.

14) Gutter Cleaning

\$161,337

This item provides for the cleaning of building rain gutters to ensure their proper function and drainage. The majority of the work is completed during the fourth quarter of the year.

The budget includes funding for an outside service to clean the gutters of multiple-story buildings once during the fourth quarter of the year. In-house staff will clean gutters of single-story buildings throughout the year on a scheduled and as-requested basis.

The leaf/debris removal program was implemented to remove debris, mostly leaves and pine needles, from the roofs and patio covers prior to the winter season. This preventive measure serves to reduce the potential for water backups.

15) Welding**\$110,964**

Welding services are utilized in the repair/replacement of railings, gates, fences, and the repair/replacement of steel step rails. Balcony welding that is required as the result of dry rot repairs discovered during prior to paint is also provided. This item includes work completed as requested by staff and residents through service requests to Resident Services. Historical averages and trends are used to develop budgetary estimates. A contingency amount for lead testing and abatement, required due to EPA lead handling regulations, is included.

16) Traffic Control**\$22,058**

This line item addresses the installation and maintenance of devices required to facilitate traffic safety and circulation throughout the Community. This includes parking lot and street striping, red and yellow curb painting, and replacement of directional and vehicular control signage. Curb painting is based on a 5-year cycle of approximately 5,000 lineal feet per year.

**THIRD LAGUNA HILLS MUTUALS
2023 OPERATING EXPENDITURES
LANDSCAPE SERVICES**

17) Ground Maintenance

\$3,308,668

Grounds Maintenance work center crews perform the routine maintenance tasks. The cost of these Grounds Maintenance tasks broken out below include shrub bed maintenance, turf maintenance, miscellaneous tasks, and slope maintenance.

Shrub-Bed Maintenance

\$2,181,742

Components required for shrub-bed maintenance consist of all pruning, raking, weeding, mulching, re-planting, and edging of the planters around buildings. The shrub-bed maintenance cycle varies seasonally and is performed on 83 shrub-bed acres in Third. Beginning in 2020 the costs for small slope maintenance were included in shrub-beds due the tasks being concurrent.

The 2023 Shrub-Bed Maintenance Budget has increased by \$42,951, 2% over the 2022 Budget due to the following factors:

- Annual increase in wage rates
- Increase in agronomic costs (fertilizer, herbicides, etc.) due to inflation

Turf Maintenance

\$767,841

The turf maintenance responsibilities consist of 165 acres in Third Mutual. The mowing cycle schedules are adjusted seasonally throughout the year to respond to growing conditions.

The 2023 Turf Maintenance Budget has increased by \$31,595, 4% over the 2022 Budget due an annual increase in wage rates, and an increase in agronomic costs due to inflation.

Miscellaneous Tasks

\$281,191

The Grounds Maintenance work center also perform various miscellaneous tasks, including general cleanup, storm response and monitoring, storm preparation, employee training, ticket response crews, preparation of areas for paint crew access, and preparation of exterior for building fumigation.

The 2023 Miscellaneous Tasks Budget has increased by \$19,652, 8% over the 2022 Budget due to the department focus on improving core services, including training and annual increase in wage rates.

Garden Villa Maintenance

\$77,894

The landscape maintenance performed at the Garden Villas consists of watering and pruning Mutual owned container plants and raised planters. Replacement of plants is also performed when plants have died or overgrown the planter. Residents are responsible for maintaining their personal plants.

The 2023 Garden Villa Maintenance Budget has increased by \$3,447, 5% over the 2022 Budget due to the annual increase in wage rates and increased costs due to inflation

18) Irrigation

\$1,039,801

This is a support work center, providing irrigation support to other Landscape Maintenance sections. The irrigation work center oversees 5,683 watering zones throughout Third, controlled by 223 irrigation controllers. These controllers are managed by a central irrigation computer through the use of radio and telephone communication transmission technologies. The system is weather sensitized and adjusts watering schedules based on daily fluctuations in plant evapotranspiration rates (ET). The irrigation crew also maintains and cleans landscape drains throughout the Community on a regular basis.

The 2023 Irrigation Maintenance Budget has decreased by (\$1,045), or (0.1%) decrease from the 2022 Budget due to reallocation of hours.

19) Pest Control

\$413,642

This is a support work center, providing pest control support to other Landscape Maintenance Sections. Pest Control uses various methods to control a variety of landscape pests. Pests include; weeds, insects including wasps and bees (in landscaping), and rodents and other vertebrae.

The 2023 Pest Control Budget has increased by \$30,251, 8% over the 2022 Budget due to reallocation of hours.

20) Landscape Administration

\$358,085

Landscape Administration support is provided to the Mutual Boards and Committees at regularly scheduled meetings. Additionally, the administrative staff provides customer service, maintains databases, and prepares work efficiency reports and annual operating budgets. This task also includes supervisory personnel that oversee day to day operations. Other tasks not directly related to the daily operation of individual work centers are included in this budget.

The 2023 Administration Budget has increased by \$16,798, 5% over the 2022 Budget due to the annual increase in wage rates and inflation.

21) Nursery and Composting

\$250,330

The Nursery work center supports other crews by growing and providing groundcover, shrubs and trees for use throughout the community for new and replanting tasks. By growing all the plants used by the crews on site, the costs of new and replacement plant material are greatly reduced.

The Composting work center supports other crews by using a tub grinder to recycle tree and shrub cuttings, into the mulch used throughout the community. By recycling the green waste produced by the pruning within the Community, disposal costs are eliminated as well as the expense of purchasing mulch.

The 2023 Nursery and Composting Budget has decreased by (\$40,595) or (14%) from the 2022 Budget due to relocation of hours.

22) Small Equipment Repair

\$208,268

The Small Equipment Repair work center supports other crews by providing mower and small equipment maintenance, repair, and delivery. Supplies and materials used by crews to maintain lawns, slopes, and shrub beds are ordered and received through this department.

The 2023 Small Equipment Repair Budget has decreased by (\$18,867) or (8%) over the 2022 Budget due to pausing of the equipment replacement program.

23) Tree Maintenance

\$0

Tree Maintenance is included in Reserves.

Resident Chargeable Services

\$0

In addition to routine maintenance, Grounds Maintenance crews also perform various services upon request. The cost of this service, for both labor and materials, is charged to the resident requesting service. Services that are considered chargeable include additional plantings, additional weeding, or pruning done out of cycle.

**THIRD LAGUNA HILLS MUTUAL
2023 RESERVE EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

This section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

24) Building Numbers

\$0

Third Laguna Hills Mutual is comprised of 1,405 buildings with 6,102 manors. This program was funded to replace building numbers throughout the Mutual to increase their visibility.

Funding for building address sign replacement was moved to the Paint Program budget as staff replaces building, carport and laundry room signs during the annual exterior paint program.

25) Building Structures

\$2,054,840

(A) Building Structures (Maint. Ops., Carpentry & Carport Panel Replacements)

This reserve component is designed to address building structures that are exhibiting deterioration. Staff will eradicate dry rot through a systematic and proactive approach utilizing an aggressive inspection process designed to address all buildings in Third including both architectural and structural components through outside services and in-house staff. This includes but is not limited to balcony replacements, wood balcony railing replacements, ramp replacements, walkway replacements, trellis structure replacements, beam replacements, window replacements, garage door replacements, carport panel replacements, Garden Villa Recreation Room kitchen and restroom flooring replacements, asbestos and lead abatement and testing, associated engineering cost and City building permit application and inspection fees. Replacements are qualified and generated on both a reactive and a proactive basis.

(B) Building Structures Replacements

This reserve component is designed to address building structures that are exhibiting deterioration and will be utilized on a contingency basis. It is assumed that full replacement of this component would never be required. The unit cost is a contingency estimate for a typical building structure repair.

(C) Building Structures Dry Rot

This reserve component is dedicated to eradicating dry rot through a systematic and proactive approach utilizing an aggressive inspection process. This process is designed to address all building types within the Mutual including architectural and structural components.

(D) Parapet Wall Removals

This reserve component is to address moisture intrusion problems on the Villa Paraisa and Casa Grande style buildings by removing and replacing the parapet wall design with a sloped roof.

During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be deferred, and resumed at a later date. There are 14 buildings that still require

parapet wall removal. Once this program starts up again, 5 buildings will be completed each year, over a 3-year period.

(E) Foundations

This reserve component is dedicated to foundation repairs most often due to soil erosion and settlement. Although the unit cost will vary, it is a contingency estimate for typical foundation repairs.

(F) Building Rehab/Dry Rot

This reserve component is designed to address building structural that are exhibiting deterioration and to eradicate dry rot identified by Members through service requests or during the course of other maintenance activities in Third to include minor replacement of wood members, such as fascia boards, shear panel repair, wood stud replacement, stucco repair, T-111/Hardi siding replacement, rafter tail replacements, exterior crown molding replacement, and red wood siding/trim replacement.

As part of the 2023 fiscal budget, staff will proactively assess buildings for drainage deficiencies that could lead to building settlement and will implement the necessary repairs.

(G) Balcony Inspections

Senate Bill 326 states that a statistically significant sample of all of the Mutual's exterior elevated elements is to be inspected once every 9 years. VMS will be contracting with a licensed structural engineer or architect to inspect a percentage of the Mutual's exterior elevated elements, for which the Mutual has maintenance or repair responsibility. The first inspection shall be completed by January 1, 2025, and then every nine years thereafter in coordination with the reserve study inspection pursuant to Section 5550. A report will be generated from the inspections and shall include detailed information on the condition of each inspected element; expected future performance; remaining useful life; and any repair/replacement recommendations. During the 2022 Business Planning Meeting, the Third Board voted that the budget for inspections related to SB326 be deferred in 2022 and resume in 2023.

(H) Damage Restoration

This reserve component is for reconstruction of manors/buildings resulting from rain leaks, plumbing leaks, plumbing stoppages, other moisture intrusion events, fires and other disasters.

During the 2021 Business Planning meeting, the Board moved half of the funding from the Disaster Fund to the Reserve/Replacement fund for expenditures that were dedicated to rebuild damaged units after a moisture intrusion event, fire or other disaster.

Finance performed an analysis of invoices paid in the first quarter of 2020 and discovered that approximately half of the invoices qualified to be reclassified to the Replacement Fund, based on the work completed by the Mutual's outside contractors. A similar analysis will be conducted to determine budgets for future years.

It should be noted that restoration costs exceeding \$100K will be submitted to the Mutual's insurance carrier.

26) Electrical Systems

\$30,000

(A) Electrical Systems – Panel Replacements

This reserve component is funded to address electrical panel maintenance and includes contingency funding for panel failures and the replacement of electrical components, as necessary.

(B) Electrical Systems – Alternate Heat Source (Heat Pump & Wall Heaters)

Third Mutual is responsible for providing a heat source in the bedroom and living/dining room areas of its manors. At the time of original construction, the provided heat source was in-ceiling radiant heat systems. If an original in-ceiling radiant heat system fails or requires replacement as the result of some maintenance activity, the Mutual must provide a replacement heat source. The Mutual replaces failed heat systems with an appropriate and cost-effective type unit for the room being heated, such as placing a wall heater in the bedroom and a through-the-wall heat pump in the living room and dining room. The type of unit used is contingent on several factors, the most important being the BTU's required to heat the area being heated.

The budget allows for 3 heat pumps and 3 wall heaters to be replaced each year if necessary.

27) Energy Projects

\$0

During a 2020 Business Planning Meeting, the Board decided that they would fund energy projects as necessary, instead of adding a contingency amount to each fiscal budget.

28) Exterior Lighting

\$12,500

Funding in this program provides for lighting upgrades throughout the community.

Contingency funding is also included for a walkway lighting consultant as well as any needed repairs to common area lighting performed by in-house staff.

29) Fencing

\$82,765

Third has approximately 13 miles or 70,000 linear feet of decorative wooden split rail fencing throughout its property. The Mutual uses wooden split rail fencing as an inexpensive way to create decorative boundaries between buildings, as well as define sloped areas.

Staff currently replaces rotted split rail fencing on an as-needed basis. The 2023 budget is based on an increase in material costs.

30) Garden Villa Lobby

\$0

This reserve component addresses the renovation of the lobby areas of the Mutual's Garden Villa-style buildings, which is performed on a program basis. The lobby ceilings, walls, and floor coverings are inspected annually and those in the poorest condition, receive the highest priority for renovation. Member requests for lobby improvements are also considered during the evaluation process each year.

The final lobby in this program cycle was completed in 2022. The next renovations will occur in

2026.

31) Garden Villa Mailroom

\$431

This reserve component addresses the renovation of mailrooms in the Mutual's Garden Villa style buildings. The renovation cycle was completed in 2020 and will resume in 2026. The 2023 funding is a contingency for touch-up painting of the mailroom walls.

32) Garden Villa Recessed Areas

\$0

This reserve component addresses the green synthetic, outdoor carpet replacement of the recessed areas of the Mutual's Garden Villa style buildings, which is performed on a program basis. The scope of work includes water testing, removal of the indoor/outdoor carpet in recessed areas, crack repairs to the concrete slab, application of waterproofing sealant (where applicable), application of waterproof barrier and liner at planter boxes (where applicable), and installation of new carpet. During the 2022 Business Planning Meeting, the Third Board voted that the budget for maintenance to the Garden Villa recessed areas be deferred in 2022 and be resumed at a later date.

33) Garden Villa Rec Room Heat Pump/Water Heater

\$5,245

(A) Water Heaters

There are 53 Garden Villa Recreation Room water heaters in the Mutual. Replacement of the water heaters is implemented proactively at the end of their 10-year serviceable life.

(B) Heat Pumps

Replacement of the heat pumps is based on an annual inspection with consideration to the unit's expected lifecycle, maintenance and repair history, age and its overall condition, or upon failure.

34) Gutters

\$113,127

This reserve component is designed to address repairs and replacements of original construction building rain gutter and downspout systems on all of the Mutual's buildings that are exhibiting deterioration, as well as new installations where gutters were not originally located.

(A) Gutter Repairs

The gutter systems are constructed of galvanized metal pieces joined together in ten-foot-long sections or less. Typically, original gutter systems fail at the joints and corrode, which result in leaks. The funding for this program is reactive and based on resident requests.

(B) Gutter Replacement

This reserve item is designed to address the replacement of failing, original rain gutter sections, and downspout systems on all of the Mutual's buildings.

(C) New Gutter Installation

Beginning in 2020, \$50,000 was added to the annual budget for new gutter installations in order to address drainage issues and to prevent foundation erosion in conjunction with buildings on the exterior paint program.

35) Mailboxes

\$25,180

Third has approximately 6,102 individual mailboxes. The pedestal mailboxes at all the LH-21 buildings have been replaced.

Cluster mailboxes inset on the exterior walls of one- and two-story buildings are deteriorating and are no longer compliant to USPS standards. Each cluster mailbox will house up to 4, 8 or 12 units.

Mailbox clusters will be replaced each year until all are compliant with USPS standards.

36) Paint Program

\$1,597,812

During the 2021 Business Planning Meeting, the Board elected to change the exterior paint program from a 10-year to a 15-year paint cycle for the 16,495,970 square feet of exterior building surfaces. All exterior components of each building are to be painted every 15 years. The building components painted include the body, (stucco and/or siding) and the trim (fascia boards, beams, overhangs, doors, closed soffits and structural and ornamental metal surfaces).

Deck top coat resurfacing, replacement of reflective address building numbers, lead testing and Lead RRP (Renovation, Repair and Painting) activities are performed in conjunction with the program. Non-wood alternatives are used where possible.

Funding also includes interior and exterior touch-up painting which was moved from Operating to Reserves in 2019.

Planned expenditures are based on the square footage of the buildings scheduled for that fiscal year.

37) Prior to Paint

\$1,167,546

(A) PTP

The reserve component for prior-to-paint repairs will prepare building surfaces for painting. This work is performed by outside contractors and in-house staff and includes structural and non-structural repairs; mitigation of dry rot; balcony and breezeway decking repairs which are performed every 15 years in conjunction with the exterior paint program.

(B) Top Coat Resurfacing

The elevated balcony and breezeway deck surfaces are inspected and repaired every 7.5 years, which is mid-way between the 15-year exterior paint cycle. This reserve component is designed to provide a waterproof top coat sealant to those elevated surfaces.

Planned expenditures are based on the square footage of the buildings scheduled for that fiscal year.

Funding also includes costs related to asbestos and lead testing with the abatement of dry rotted components.

(A) Parkway Concrete

Each year staff inspects the Mutual sidewalks to receive paving work for potential tripping hazards, and areas are identified for replacement. This helps to eliminate the long waiting periods for concrete repairs that are addressed by the General Services Department. Staff also identifies all damaged drainage gutters in the area and includes their replacement cost in this budget item. This program works in conjunction with the current paving program. During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be deferred in 2022 and resumed at a later date.

(B) Asphalt Repairs

As part of the Mutual's asphalt repaving program, each year all asphalt pavement in the community is inspected and rated for wear. When the pavement rating justifies replacement, the work is budgeted for the upcoming year. For the purpose of reserve planning, an estimated life of 25 years is used.

(C) Seal Coat

The application of a seal coat over asphalt is necessary to extend the useful life of pavement. Asphalt receives a seal coat 5 years after paving and also on a continuous 7-year cycle thereafter. This type of preventive maintenance is considered the most efficient and cost-effective method of extending the serviceable life of asphalt paving.

(D) Golf Cart Parking & Striping

During the 2018 Business Planning meeting, staff was directed to consider additional opportunities to create golf cart parking in areas where landscaping has declined or is absent, and a pilot program was completed in Gate 14.

The Board will provide \$50,000 to create 20 additional parking spaces with the understanding there may not be available open space to create 20 parking spaces each year.

During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be cancelled until further notice.

39) Roofs**\$1,468,968**

(A) Roofs Preventive Maintenance

The Built-up Roof (BUR) Maintenance Program is intended to extend the serviceable life of existing BUR roofs by three to five years, for a total serviceable life of 18-20 years. The program emphasizes aggressive repair and maintenance on BUR roofs at 5-year intervals.

The current roofing contract provides for the 5-year preventive maintenance of each roof system at no cost to the Mutual. The 10-year preventive maintenance program for 2023 includes those built-up roofs that were replaced in 2013.

(B) Roofs Built-Up – PVC Cool Roof

The Built-Up Roofing (“BUR”) Replacement Program is designed to identify and replace BUR systems that have reached their serviceable life, with PVC Cool Roofs, which have a serviceable life of 25 years. All roofs 15 years of age and older are visually inspected and a query of all reported rain leaks for the subject buildings is generated.

The roofs are ranked by condition and those with the worst overall performance are slated for replacement. Therefore, not all BURs are replaced upon expiration of their anticipated serviceable life.

During the 2020 Business Planning Meeting, the Board authorized staff to lower the reserve costs required to maintain the built-up roofs by \$100,000 per year. This savings will offset the funding needed to replace the lightweight tile roofs which are failing prior to the end of their expected useful life.

40) Exterior Walls

\$35,000

Barbed wire is no longer a city-approved material for wall security. In 2017, the City of Laguna Woods passed a resolution to include Shepherd’s Crook as an acceptable replacement to the existing barbed wire.

Since 2020, planned expenditures include the cost of clearing and grubbing which was not previously included in prior years.

The Village is required by the Condition Use Permit (CUP) to complete at least 900 lineal feet per year with Third’s responsibility equaling, 300 linear feet per year. At the Board’s request funding was reduced to only allow for the minimum linear feet to be replaced each year.

41) Waste Line Remediation

\$1,000,000

In 2006, the Board established a reserve line item for waste lines. The program provides for the evaluation of waste lines and the establishment and implementation of a strategy for replacement. Lining the underground and under slab pipe is possible with a liner and epoxy resin product. The program was expanded to include interior pipes in 2017.

Staff uses a combination of a reactive and proactive approach for the repair of waste lines. Reactively staff addresses backups as they arise and proactively all lines in the adjacent units are epoxy lined.

42) Water Lines – Copper Pipe Remediation

\$500,000

In 2006, the Board established a reserve line item for copper water lines. This budget item funds the epoxy lining of failed copper water supply lines in the Mutual. Buildings are selected as candidates for epoxy-lining based on a leak criterion, and the frequency of leaks in a given building. Staff tracks leaks associated with the copper lines, and criteria-based calculations are made to identify the qualified buildings.

The program is reactive as well as proactive. When a manor meets the epoxy-lining criteria, the entire building where the manor is located is epoxy-lined.

Staff is currently using the approved leak rate ratio of two leaks in a three-year period or manors

with one leak equating to 1/3 of the total number of manors in a building to qualify a building for remediation.

43) Plumbing Replacement

\$200,000

Pressure Regulators: The Board voted to allocate \$200,000 per year for pressure regulator installation/replacements for the (General) Plumbing Replacement Reserve Funds (RPF) in the 2023 Budget. Plumbing staff will install pressure regulators to reduce the high pressure found at manors measuring over 80psi at Third Mutual buildings. The cost of the pressure regulator depends on size, ranging from 3/4" to 2", and will be installed/replaced on an as-needed basis.

44) Elevators

\$125,000

The Elevator Replacement Fund provides funding for component replacement and interior cab upgrades to the 82 passenger elevators in the Mutual.

Starting in 2020, the annual budget was decreased to provide funding for 5 elevator cab upgrades.

The expenditures for items with a 40-year life cycle replacement in 2022 or 2024, will resume from 2051-2058. However, the elevator replacement cycle is being evaluated to meet industry standards which may conclude a less aggressive replacement schedule.

45) Laundry Countertop/Floor Replacement

\$59,567

(A) Countertops

The laundry facilities in Third are comprised of 81 three-story buildings with three laundry rooms each and 44 free standing laundry rooms. The three-story building laundry rooms have one folding table that will be replaced with a wall mounted countertop. The free-standing laundry rooms have four wall mounted countertops and are treated as one component for reserve purposes. The current replacement policy is reactive and countertops are replaced upon failure or non-reparability.

Estimated Life = 20 Years. Planned expenditures are based on the historical replacement quantities, anticipated useful life, and current estimated cost, plus inflation. An estimated 30 countertops will need to be replaced in 2023.

(B) Flooring

There are three laundry facilities, one on each floor, of Third 81 three-story buildings for a total of 243. Each of these laundry facilities has sheet vinyl floor covering. The Laundry Room Flooring Program allows the existing vinyl flooring to be professionally removed by an abatement contractor, staff then applies an epoxy floor coating over the entire surface.

Estimated Life = 25 years. Planned expenditures are based on the historical replacement quantities, anticipated life, and current estimated costs, plus inflation. An estimated 18 floors will receive epoxy floor coatings in 2023.

(A) Water Heaters

There are 125 laundry room water heaters in the Mutual. The Mutual's policy is to replace all water heaters in their 10th year of life. Planned expenditures are based on the anticipated useful life and current estimated cost of materials and labor plus inflation. The 2023 budget accounts for the replacement of 33 water heaters.

(B) Dryers

The Board approved the replacement of all existing residential dryers with commercial, coin operated machines. The level of the machines was raised by placing them on pedestals for easier use. Per Board directive, the number of dryers in stand-alone laundry facilities was reduced to 2 units. This was achieved when all dryers were replaced in 2019. The 2023 budget includes a contingency for the replacement of 8 dryers.

(C) Washers

There are 453 washers in the Mutual's laundry facilities. The current replacement policy is reactive and washers are currently replaced upon failure or non-reparability. The 2023 budget accounts for the replacement of 30 washing machines.

Per Board directive, the number of washers in the laundry facilities was to be reduced over time by removing faulty washers, and not replacing them in low-utilization locations.

**THIRD LAGUNA HILLS MUTUAL
2023 RESERVE EXPENDITURES
GENERAL SERVICES**

This section covers the inspection, maintenance and repair of metal work (prior to paint), paving and concrete, and repair to common area and perimeter walls. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

47) Prior to Paint	\$12,700
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The Mutual has a 15-year full exterior paint program. This budget item includes a contingency for railing, stairway metal work, balcony railing, and other welding repairs on the buildings scheduled for the 2023 exterior paint program.

48) Paving/Concrete	\$64,253
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Funding provided in this section is used to fund general asphalt repair work, excavation related to mainline repair, and crack filling work that is completed in conjunction with Maintenance and Construction's planned slurry seal program.

49) Exterior Walls	\$24,150
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This is a contingency for both perimeter and common wall replacements.

Funding is provided in this item to address common area walls, as well as the Mutual's perimeter walls. A contingency amount is included to address the repair or replacement of damaged common walls. This program assumes that an average of 1% of the walls would require repair every year.

(A) Common Area

This budget line item was transferred from the Maintenance & Construction Department in 2020 and provides contingency funding for repairs to the common interior walls in the Mutual. This program addresses the need to provide common wall repair or replacement throughout the community.

(B) Perimeter

Third Laguna Hills Mutual utilizes perimeter walls to provide physical security. The majorities of the walls were built over 35 years ago, and is typically made of concrete block. In addition to providing security to the community, this program replaces walls due to damage or deterioration.

**THIRD LAGUNA HILLS MUTUAL
2023 RESERVE EXPENDITURES
LANDSCAPE**

50) Landscape Modernization

\$541,671

Landscape renovation and modernization programs are included in the Landscape Modification budget and are designed to address specific areas of concern, as determined by collaboration between Staff and the Landscape Committee. These projects are funded through the Replacement Fund. Each program requires varying levels of time and materials, depending upon the site(s) and project(s) selected to be completed each year. This budgeted item also includes slope renovation.

The 2023 Landscape Modernization Budget has increased by \$17,969 or 3% from the 2022 Budget due to an increase in slope renovation square footage

51) Improvement and Restoration

\$177,744

The landscape in the Community is aging and in much of it is passed its useful life. The Improvement and Restoration work center replaces aging and dead plantings as well as re-landscaping areas that are difficult to maintain and irrigate. The work center also replaces standard plant material with drought tolerant water-saving plants. Additionally, this work center performs turf reduction projects, removing difficult to irrigate sections and maintain sections of turf and replacing them with attractive and functional drought tolerant plantings.

The 2023 Improvement and Restoration Budget has increased by \$48,530 or 38% due to Turf Reduction and drought tolerant planting. Third and United are splitting the overall turf reductions costs.

52) Tree Maintenance

\$899,814

Tree Maintenance crews, supplemented by contractors, perform routine tree trimming on approximately 29,000 trees within the Community. The service level is on a five- year rotating cycle based upon the specific trimming needs of each tree species. All pruning is performed in accordance with International Society of Arboriculture pruning techniques. The tree inventory is maintained using the Arbor Pro program. Starting in 2020, staff was supplemented by outside services to complete the scheduled maintenance cycle.

The 2023 Tree Maintenance Budget has decreased by (\$43,611) or (5%) from the 2022 Budget due to new contracted vendor pricing.

**THIRD LAGUNA HILLS MUTUAL
2023 DISASTER EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

This was one of the first funds established for the Mutual to reserve for contingencies and uninsured damages. The purpose of this fund is to provide for emergency expenditures or catastrophic damages not covered by insurance, including insurance policy deductible amounts. Also, possibly for write-offs of uncollectible accounts according to original definition of the General Operating Fund. In the 2009 Business Plan, this fund was renamed from the General Operating Fund to the Disaster Fund to better convey its purpose. This fund is not required by Civil Code and is therefore excluded from reserve plan calculations.

53) Moisture Intrusion – Rain Leaks

\$260,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of manors due to roof leaks, deteriorated roof membranes, roof flashing/connections, windows, stucco walls, atrium back-ups, gutter systems, rain flooding, skylights (non-alteration), and vents, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

54) Moisture Intrusion – Plumbing Leaks

\$500,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of manors due to plumbing leaks from the under-slab, in-wall, supply line, and drain line, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

55) Moisture Intrusion – Plumbing Stoppages

\$75,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of manors due to plumbing stoppages from main lines, internal lines, toilets, sink and basins that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

56) Moisture Intrusion – Miscellaneous

\$14,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of units with miscellaneous moisture intrusion from tub/shower enclosures, cracked tile, missing grout, humidity, irrigation, loose sink/countertop connections, common area washing machines, foundations, window condensation, and mold, that may cause damage to the Mutual's asset and

Require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

57) Damage Restoration Services

\$199,470

This line item funds the emergency repairs due to damage from structure fires and vehicle accidents.

If replacements are needed, those items will be funded from the Replacement/Reserve fund. Funding levels for this category are based on historic averages.

Part of this expenditure is reimbursed to the Mutual through hearings that review the circumstances of the moisture intrusion event in order to determine if the member should be held responsible for costs associated with the restoration.

**THIRD LAGUNA HILLS MUTUAL
2023 DISASTER EXPENDITURES
LANDSCAPE**

58) Fire Risk Management	\$180,000
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This line item funds the Orange County Fire Authority mandated vegetation management to provide adequate defensible space on perimeter land adjacent to open space and on interior slopes per OCFA guidelines and maps.

The proposed 2023 budget is equal to the 2022 amount budgeted.

For 2023, the staff recommends \$180,000 for Fire Risk Management.

59) Insurance Premiums	\$0
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Insurance premiums will be paid out of operating funds.

**THIRD LAGUNA HILLS MUTUAL
2023 GARDEN VILLA REC ROOM EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

60) Garden Villa Recreation Rooms

\$93,642

The Replacement Reserve-Villa Furnishings Fund was established in 1975 for the replacement of furnishings in the Villa buildings. Several policy changes were made through the years regarding the fund name and usage. On September 19, 1995, the Board of Directors adopted Resolution M3-95-82 approving a fund name of Garden Villa Recreation Room Fund.

The purpose of this fund is to provide for all expenditures in the recreation rooms of Garden Villa buildings (repairs, replacements and preventive maintenance), other than janitorial services.

On June 16, 2009 the Board directed that water heater and heat pump components previously paid from this fund will be paid from the Replacement Fund.



Village Management Services, Inc.

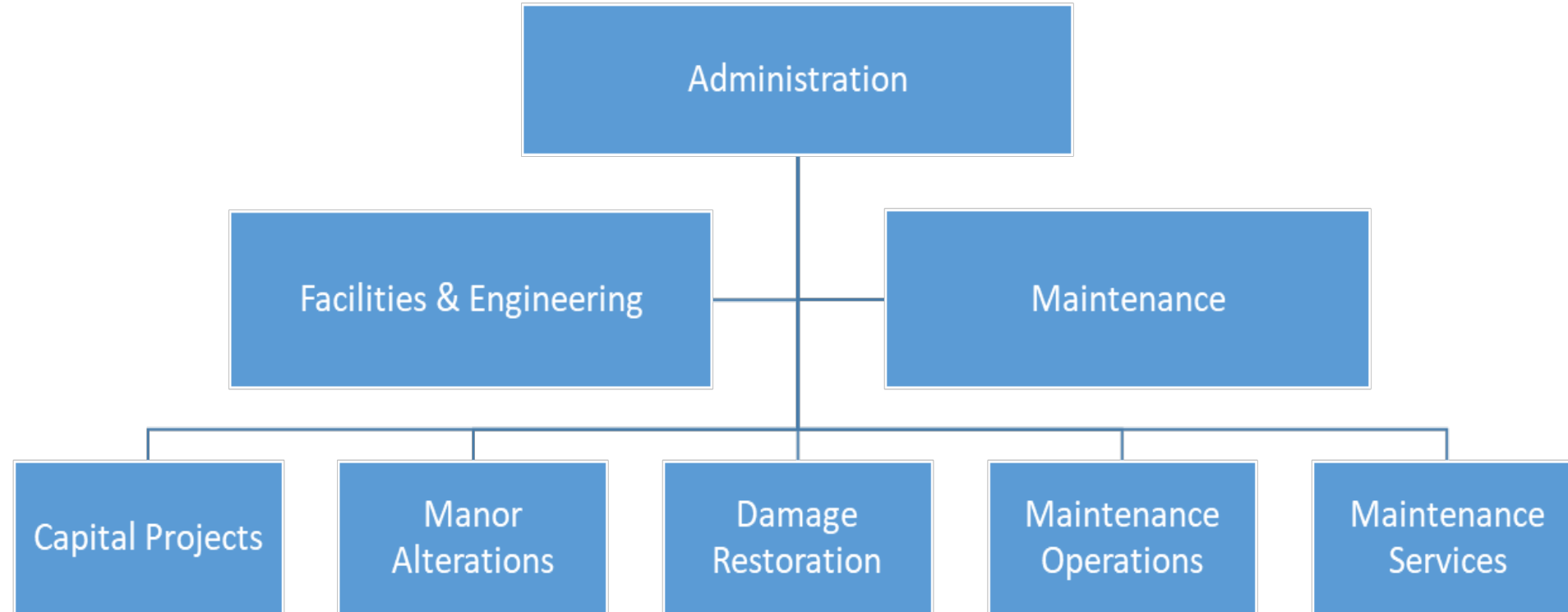
DESCRIPTION	GRF Board	United Board	Third Board
Review of Existing (2023) Service Levels			
Department Workshops	Mon Mar 20 9:30 A.M. & Wed Mar 22 9:30 A.M.		
Landscape & Maintenance Review		Wed Mar 29 1:30 P.M.	Thur Mar 30 9:30 A.M.
Internal Review			
Reserves / Capital	April / May		
Version 1			
Capital Review	Tues May 23 1:30 P.M.		
Maintenance Review		Tues May 30 9:30 A.M.	Wed May 31 9:30 A.M.
Landscape Review		Wed May 31 1:30 P.M.	Thu Jun 1 1:30 P.M.
Operating Department Review	Mon Jun 5 1:30 P.M.		
Capital Or Operating Review (if necessary)	Mon Jun 19 9:30 A.M.		
Version 2			
Business Plan Preparation	Deadline for Changes June 23, 2023 Issue Agendas Thursday July 6, 2023		
Business Plan Review	Mon Jul 10 1:30 P.M.	Thu Jul 13 1:30 P.M.	Thu Jul 13 9:30 A.M.
Version 3			
Business Plan Preparation	Deadline for Changes July 21, 2023 Issue Agendas Thursday August 3, 2023		
Business Plan Review (Televised)	Mon Aug 7 9:30 A.M.	Wed Aug 9 1:30 P.M.	Thu Aug 10 9:30 A.M.
Proposed Final			
Business Plan Adoption	Tue Sept 5 9:30 A.M.	Tue Sept 12 9:30 A.M.	Tue Sept 19 9:30 A.M.

Department Budget Review Maintenance & Construction Third Mutual

March 30, 2023



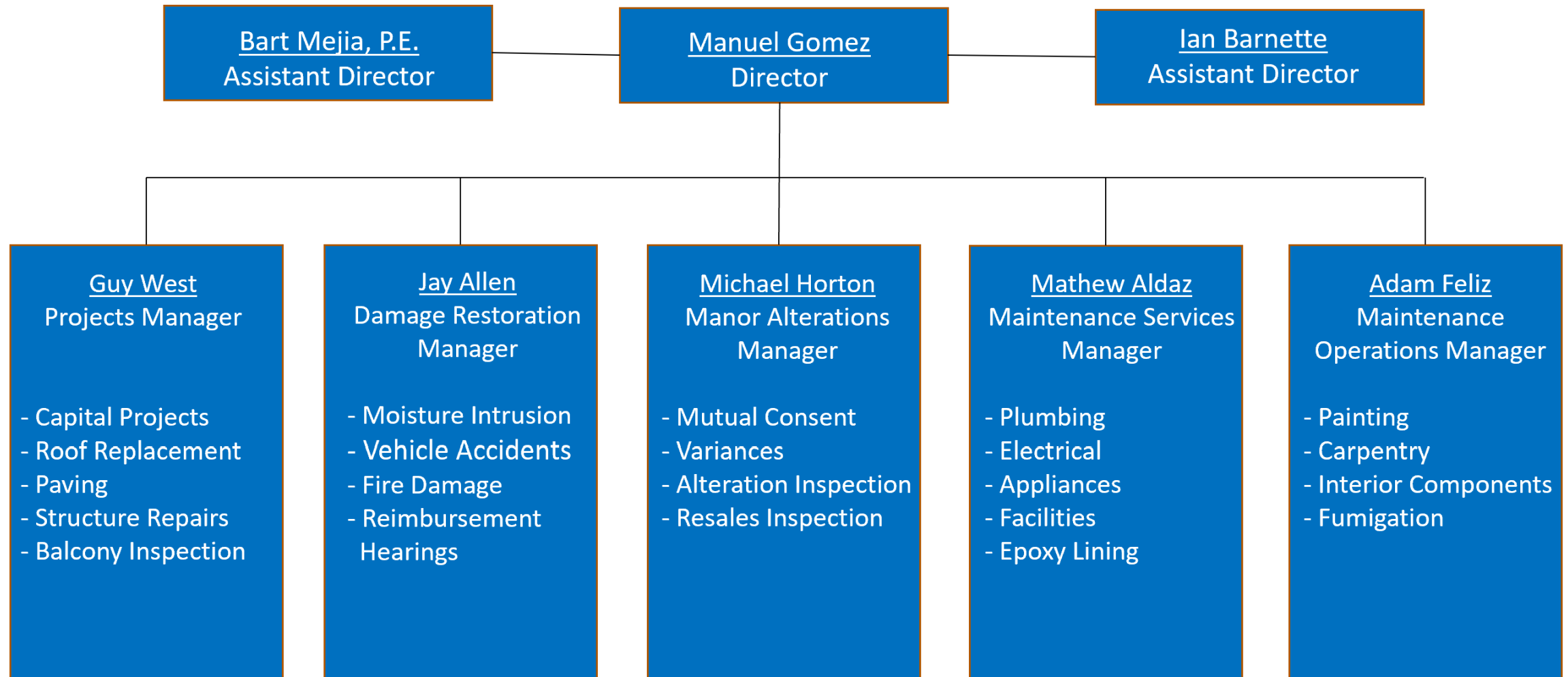
M&C Department Divisions



179 FT Staff Positions
\$35.4M Annual Budget

5 Standing Committees
2 Ad Hoc/Sub-Committees

M&C Management Team



Maintenance & Construction- Staffing

Division	2021	2022	2023
Administration	6	7	7
Projects	8	7	7
Damage Restoration	8	10	10
Manor Alterations	12	16	16
Maintenance Services	50.8	50.8	50.8
Maintenance Operations	94.3	88.3	88.3
Total FTE	179.1	179.1	179.1

Figures expressed as full-time equivalents (FTE)

Service Area - Projects

- Implement capital improvement projects
- Prepare plans, specifications, project cost estimates
- Develop, monitor project schedules
- Provide project management, contract administration, administrative support for mutual programs/maintenance projects:
 - Roof repairs, replacement
 - Asphalt paving, seal coating
 - Shepherd's crook installation
 - Building foundation inspection, repair
 - Building structures, dry rot projects

Service Area - Damage Restoration

- Provide supervision, administrative support for damage restoration events
- Manage dry down, abatement, environmental services and restoration of mutual property due to moisture intrusion events (plumbing leaks, stoppages, roof leaks, failed alterations)
- Evaluate damage costs to mutual property related to fires, vehicular accidents
- Process chargeable damage costs, coordinate with VMS risk manager on insurance claims
- Coordinated and processed 2,426 service events in 2022; 1,154 in Third
- Prepare Executive Hearing Committee reimbursement reports for damages and mutual incurred expenses sustained from member alterations, negligence, vehicle accidents; presented 114 cases in 2022 for Third

Service Area - Manor Alterations

- Provide supervision, administrative support for alteration mutual consents, variance requests, resale inspections:
 - Process mutual consent and variance applications
 - Collect and process application fees
 - Assist residents, contractors, real estate agents with rules/regulations related to alterations, mutual architectural standards resale inspection process
 - Conduct vacant manor inspections, exterior resale inspections
 - Issue correction notices when alterations in disrepair
 - Prepare resale correction reports for required maintenance, water heater replacements, exterior alterations
- Administrative support to Architectural Control and Standards Committee
- Processed 1,786 mutual consents and variances in 2022; 1,061 in Third
- Conducted 637 resale inspections in 2022; 162 in Third

Service Area - Maintenance Services

- Provide management, supervision, administrative support for mutual replacement programs, facility maintenance service requests:
 - Waste line and copper pipe remediation (epoxy lining)
 - Fire extinguisher testing, repair
 - Plumbing services
 - Electrical services
 - Water heater replacement program (common area)
 - Chargeable services for appliance, electrical, plumbing
- Closed over 35,450 service order tickets in 2022; 7,710 in Third

Service Area - Maintenance Operations

- Provide management, supervision, administrative support for mutual property maintenance service requests, annual maintenance programs:
 - Exterior dry rot inspections, repairs
 - Prior to paint program
 - Exterior paint program
 - Deck top coat resurfacing
 - Building fumigation; annual termite inspections
 - Carpentry service requests
 - Elevator and lift maintenance
- Administrative support to Garden Villa Recreation Room Subcommittee
- Closed approximately 17,775 service order tickets in 2022; 5,785 in Third

THIRD LAGUNA HILLS MUTUAL 2023 PLAN PROGRAMS REPORT

DESCRIPTION	2021	2022	2023	Assessment	
	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
				\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION					
PLUMBING SERVICE	\$716,714	\$704,474	\$744,807	\$40,333	6%
CARPENTRY SERVICE	424,622	510,004	568,563	58,560	11%
PEST CONTROL	366,892	174,633	360,000	185,367	106%
FIRE PROTECTION	88,415	144,380	144,347	(32)	(0%)
ELECTRICAL SERVICE	126,478	115,944	115,140	(804)	(1%)
APPLIANCE REPAIRS	84,181	93,270	98,270	4,999	5%
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	39,560	58,664	48,664	(10,000)	(17%)
SOLAR MAINTENANCE	14,348	25,000	35,000	10,000	40%
STREET LIGHT MAINTENANCE	0	0	17,000	17,000	100%
GUTTER CLEANING	0	0	0	0	0%
CURB CUTS	0	0	0	0	0%
TOTAL	\$1,861,209	\$1,826,368	\$2,131,791	\$305,423	17%

Line 9 Funding for this Line was moved from Reserves to Operating in 2023.

Line 10 Funding for this Line is included in General Services under the Gutter Cleaning Line.

THIRD LAGUNA HILLS MUTUAL 2023 PLAN PROGRAMS REPORT

DESCRIPTION		2021	2022	2023	Assessment	
		ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
					\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION						
24	BUILDING NUMBERS	\$14,088	\$0	\$0	\$0	0%
25	BUILDING STRUCTURES	2,091,312	2,502,042	2,054,840	(447,203)	(18%)
26	ELECTRICAL SYSTEMS	16,588	30,000	30,000	0	0%
27	ENERGY PROJECTS	0	0	0	0	0%
28	EXTERIOR LIGHTING	24,840	25,000	12,500	(12,500)	(50%)
29	FENCING	73,009	63,996	82,765	18,770	29%
30	GARDEN VILLA LOBBY	111,882	12,000	0	(12,000)	(100%)
31	GARDEN VILLA MAILROOM	300	412	431	20	5%
32	GARDEN VILLA RECESSED AREAS	0	0	0	0	0%
33	GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER	7,859	2,984	5,245	2,262	76%
34	GUTTERS	(15,844)	78,926	113,127	34,201	43%
35	MAILBOXES	37,175	9,143	25,180	16,037	175%
36	PAINT PROGRAM	1,527,920	1,586,079	1,597,812	11,733	1%
37	PRIOR TO PAINT	1,024,160	1,166,430	1,167,546	1,117	0%
38	PAVING/CONCRETE	618,985	433,960	439,421	5,461	1%
39	ROOFS	1,341,440	1,461,792	1,468,968	7,176	0%
40	EXTERIOR WALLS	29,280	35,000	35,000	0	0%
41	WASTE LINE REMEDIATION	530,595	700,000	1,000,000	300,000	43%
42	WATER LINES - COPPER PIPE REMEDIATION	367,397	500,000	500,000	0	0%
43	PLUMBING REPLACEMENT	0	0	200,000	200,000	100%
44	ELEVATORS	151,170	105,000	125,000	20,000	19%
45	LAUNDRY COUNTERTOP/FLOOR	40,498	16,028	59,567	43,539	272%
46	LAUNDRY APPLIANCES	60,836	93,712	101,579	7,866	8%
TOTAL		\$8,053,489	\$8,822,504	\$9,018,981	\$196,477	2%

Line 24 Beginning in 2022 funding for this item is included in the Paint Program.

THIRD LAGUNA HILLS MUTUAL 2023 PLAN PROGRAMS REPORT

DESCRIPTION		2021	2022	2023	Assessment	
		ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
					\$	%
DISASTER FUND - MAINTENANCE & CONSTRUCTION						
53	MOISTURE INTRUSION - RAIN LEAKS	\$253,951	\$237,513	\$260,000	\$22,487	9%
54	MOISTURE INTRUSION - PLUMBING LEAKS	614,090	400,000	500,000	100,000	25%
55	MOISTURE INTRUSION - PLUMBING STOPPAGES	118,104	50,000	75,000	25,000	50%
56	MOISTURE INTRUSION - MISCELLANEOUS	14,507	46,548	14,000	(32,548)	(70%)
57	DAMAGE RESTORATION SERVICES	162,802	190,935	199,470	8,535	4%
TOTAL		\$1,163,454	\$924,996	\$1,048,470	\$123,474	13%



2024 Budget Considerations

- Mitigation of Gate 11 water seepage
- SB 326 balcony inspections
- Washing machine upgrade
- Shepherd's crook
- Garden Villa recreation room windows
- Garden Villa recessed areas
- Mailbox replacements
- Parkway concrete

2024 Budget Considerations

- Review SOPs to enhance operational efficiencies
- Explore contract opportunities for selected services
- Review and identify opportunities to reduce funding levels for contingency services



Questions

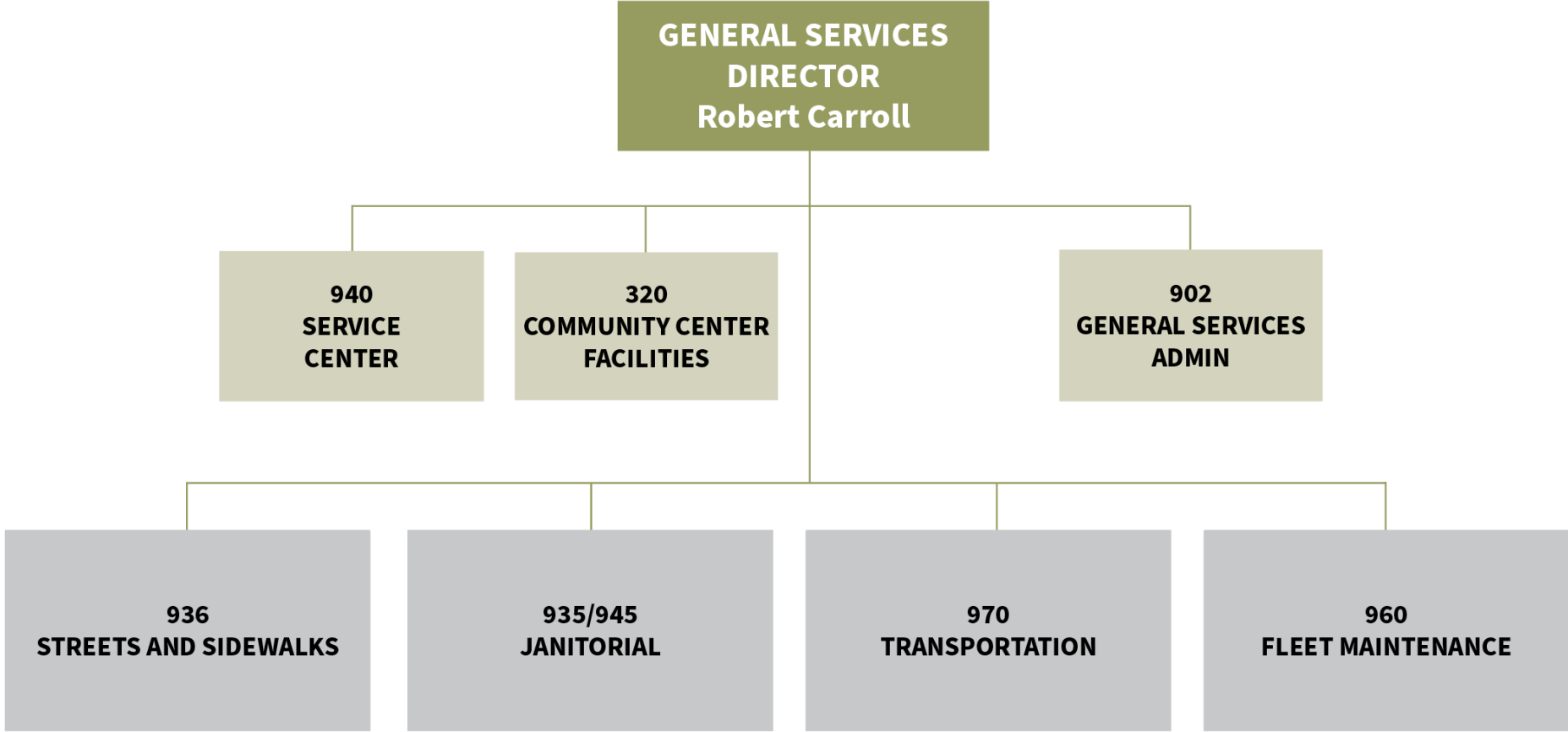
Department Budget Review General Services

March 30, 2023





Organization Chart





Department Allocations

	2023 Plan	GRF	United	Third
Department of General Services	\$8,082,065	\$5,200,899	\$1,164,313	\$1,716,853
902 - General Services Admin	\$32,827	\$32,827	\$0	\$0
320 - Community Center Facility	\$1,040,065	\$1,040,065	\$0	\$0
940 - Service Center	\$200,674	\$200,674	\$0	\$0
935 - Janitorial	\$1,347,811	\$100	\$397,860	\$949,851
945 - GRF Janitorial	\$1,475,294	\$1,475,294	\$0	\$0
936 - Streets and Sidewalks	\$2,007,508	\$474,052	\$766,454	\$767,002
960 - Fleet Maintenance	\$217,963	\$217,963	\$0	\$0
970 - Transportation	\$1,759,924	\$1,759,924	\$0	\$0

**THIRD LAGUNA HILLS MUTUAL
2023 PLAN
PROGRAMS REPORT**

DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - GENERAL SERVICES							
JANITORIAL SERVICE	\$882,450	\$963,848	\$979,609	\$977,822	\$949,851	(\$27,971)	(3%)
CONCRETE SERVICE	393,686	348,028	403,056	369,462	371,540	2,079	1%
GUTTER CLEANING	41,466	123,469	73,777	160,758	161,337	579	0%
WELDING	99,041	111,697	118,439	126,349	110,964	(15,385)	(12%)
TRAFFIC CONTROL	14,238	14,118	20,648	22,074	22,058	(16)	(0%)
TOTAL	\$1,430,881	\$1,561,161	\$1,595,528	\$1,656,465	\$1,615,751	(\$40,714)	(2%)

Janitorial Services - \$949,851

Budgeting based on the following established service levels:

Description	Quantity	Times/Year	Hours/Visit
GV buildings	53	50	3.5
LH-21 buildings	28	50	2.5
Carport cleaning	2,682	3	N/A
Laundry rooms	44	16	1.4

Multistory building breezeways: As needed

Miscellaneous (ticket response): As needed

Concrete Service - \$371,540

- Addresses proactive and resident requests for repair and/or replacement of concrete slabs, walkways and driveways
- Concrete repairs include crack filling and grinding down of walkways that have lifted
- Replacement of concrete occurs when lifting exceeds two-inch grinding capability

Gutter Cleaning - \$161,337

- Provides for cleaning of building rain gutters to ensure proper function and drainage
- Reduces potential for structural water damage
- Includes cleaning of gutters on single and multistory buildings
- Majority of work completed during fourth quarter of year

Welding - \$110,964

- Welding services are used in repair/replacement of railings, gates, fences and steel step rails
- Includes work completed as requested by staff and residents through service requests to Resident Services
- Includes contingency amount for lead testing and abatement, required due to EPA lead handling regulations

Traffic Control - \$22,058

Addresses installation and maintenance of devices required to facilitate traffic safety and circulation throughout community, including:

- Parking lot and street striping
- Red and yellow curb painting
- Replacement of directional and vehicular control signage

THIRD LAGUNA HILLS MUTUAL 2023 PLAN PROGRAMS REPORT

DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - GENERAL SERVICES							
PRIOR TO PAINT	\$3,735	\$1,842	\$10,437	\$12,712	\$12,700	(\$12)	(0%)
PAVING/CONCRETE	32,375	65,491	68,284	67,606	64,253	(3,353)	(5%)
EXTERIOR WALLS	0	0	5,600	24,150	24,150	0	0%
TOTAL	\$36,111	\$67,333	\$84,321	\$104,469	\$101,103	(\$3,366)	(3%)

Prior to Paint, Welding - \$12,700

- Mutual has a 15-year full exterior paint program
- Includes contingency for railing, stairway metal work, balcony railing and other welding repairs on the buildings scheduled for 2023 exterior paint program

Paving/Concrete - \$64,253

- General asphalt repair work
- Excavation related to mainline repair
- Crack-filling work completed in conjunction with Maintenance and Construction Department's planned slurry seal program

Walls - \$24,150

- Addresses common-area and perimeter walls
- Contingency amount included to address repair or replacement of damaged common walls
- Program assumes an average of 1% of the walls would require repair every year



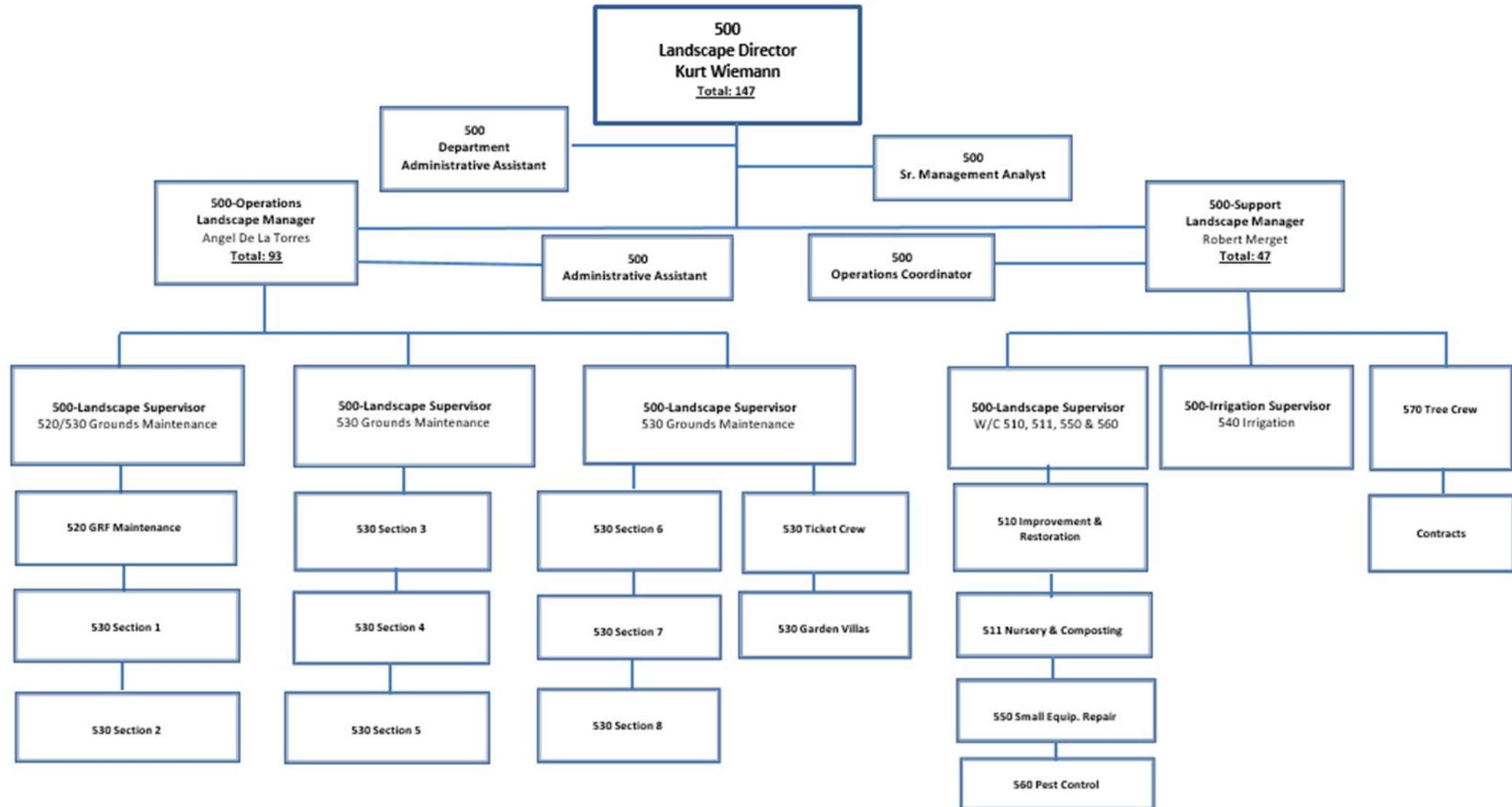
Questions

Department Budget Review Landscaping - Third Mutual

March 30, 2023



Organization Chart



Service Levels

All-corporations landscape services, including, but not limited to:

- Administration (WC 500)
- Improvements & Restoration (WC 510)
- Nursery & Composting (WC 511)
- Grounds Maintenance (WC 530):
 - Shrub-bed, slope and turf maintenance; miscellaneous tasks (general and storm cleanup, tickets) and Garden Villas
- Irrigation (WC 540)
- Small Equipment Repair (WC 550)
- Pest Control (WC 560)
- Tree Maintenance (WC 570)

Staffing

DEPARTMENT	2022	2023	Increase/ (Decrease)
Landscaping Administration	11.00	12.00	1.00
Improvement/Restoration	5.00	5.00	0.00
Nursery/Composting	5.00	5.00	0.00
GRF Grounds Maintenance	8.00	8.00	0.00
Grounds Maintenance	82.50	81.50	(1.00)
Irrigation	17.00	17.00	0.00
Small Equipment Repair	4.00	4.00	0.00
Pest Control	6.00	7.00	1.00
Tree Maintenance	8.00	8.00	0.00
Total FTE	146.50	147.50	1.00

†Figures expressed as full-time equivalents (FTE)

Revenue

2023 BUSINESS PLAN
Revenue and Expenditure Report
SUMMARY: DEPARTMENT OF LANDSCAPE SERVICES

	<u>2019 Actuals</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
Non-Assessment Revenues:							
Chargeable Service	\$0	\$0	\$20	\$0	\$0	\$0	0%
Rentals	65	0	171	0	0	0	0%
Fees and Charges for Services to Residents	19,482	7,045	25,254	47,048	29,135	17,913	38%
Miscellaneous	237	0	0	0	0	0	0%
Total Non-Assessment Revenue	<u>19,784</u>	<u>7,045</u>	<u>25,445</u>	<u>47,048</u>	<u>29,135</u>	<u>17,913</u>	<u>38%</u>

Operating Fund



Village Management Services, Inc.

DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - LANDSCAPE							
GROUNDS MAINTENANCE	2,910,763	3,035,110	3,035,959	3,211,025	\$3,308,668	97,643	3%
IRRIGATION	1,043,777	1,051,492	1,002,546	1,040,845	1,039,801	(1,045)	(0%)
PEST CONTROL	291,533	313,692	377,679	383,391	413,642	30,251	8%
LANDSCAPE ADMINISTRATION	148,803	145,024	316,948	341,287	358,085	\$16,798	5%
NURSERY & COMPOSTING	257,239	237,480	276,053	290,925	250,330	(40,595)	(14%)
SMALL EQUIPMENT REPAIR	204,044	206,371	233,039	227,135	208,268	(18,867)	(8%)
TREE MAINTENANCE	(5,498)	1,082	0	0	0	0	0%
TOTAL	\$4,850,661	\$4,990,251	\$5,242,224	\$5,494,608	\$5,578,793	\$84,185	2%

Landscaping Administration (WC 500)

2022 actuals: \$337,679; 2022 budget: \$341,287; 2023 budget: \$358,085

- Provides support to mutual boards, committees at regularly scheduled meetings
- Provides customer service, maintains databases, prepares work efficiency reports and annual operating budgets
- Includes all administrative management, supervisory positions
- 2023 administration budget increased \$16,798, or 5%, from 2022 budget due to the addition of 1 FTE

Nursery and Composting (WC 511)

2022 actuals: \$260,595; 2023 budget: \$290,925; 2023 budget: \$250,330

- Combined work centers in mid-2020 (reflected in 2021 budget) to provide more oversight, more efficient manpower
- 2023 budget decreased (\$40,595), or (14%), from 2022 budget due to staff reallocation
- Nursery grows shrubs/trees for new planting, replanting throughout community to greatly reduce replacement plant costs
- Using a tub grinder, composting work center recycles cuttings into mulch used throughout community
- Green waste processing, disposal, mulch costs are reduced by \$1,270,395 annually

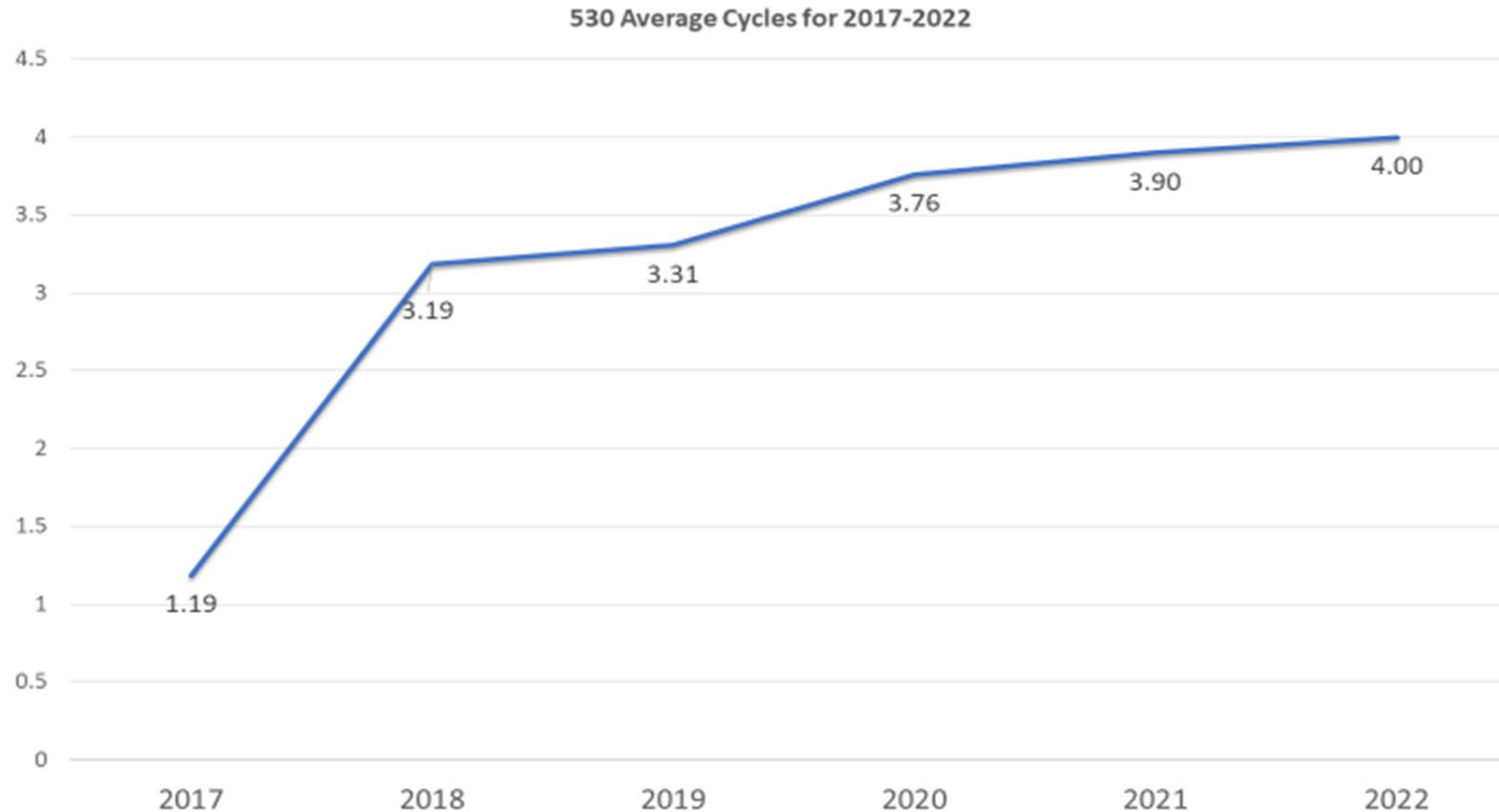
Grounds Maintenance (WC 530)

2022 actuals: \$3,313,164; 2022 budget: \$3,211,025; 2023 budget: \$3,308,668

- Shrub-bed maintenance consists of pruning, raking, weeding, mulching, replanting, edging planters around buildings
- 2022 shrub-bed maintenance cycle budgeted at four cycles, varying seasonally (cycle is considered complete when every building has been serviced once)
- 2023 shrub-bed maintenance budget increased \$42,951, or 2%, from 2022 budget due to annual salary increases

Grounds Maintenance

Average Trim Cycles



Grounds Maintenance (WC 530)

- Turf maintenance consists of 165 acres in Third Mutual
- Mowing cycle adjusted seasonally throughout year to respond to varying growing conditions
- 2023 turf maintenance budget increased \$31,595, or 4%, from 2022 budget due to annual salary increases and increased mowing frequency due to longer grow season

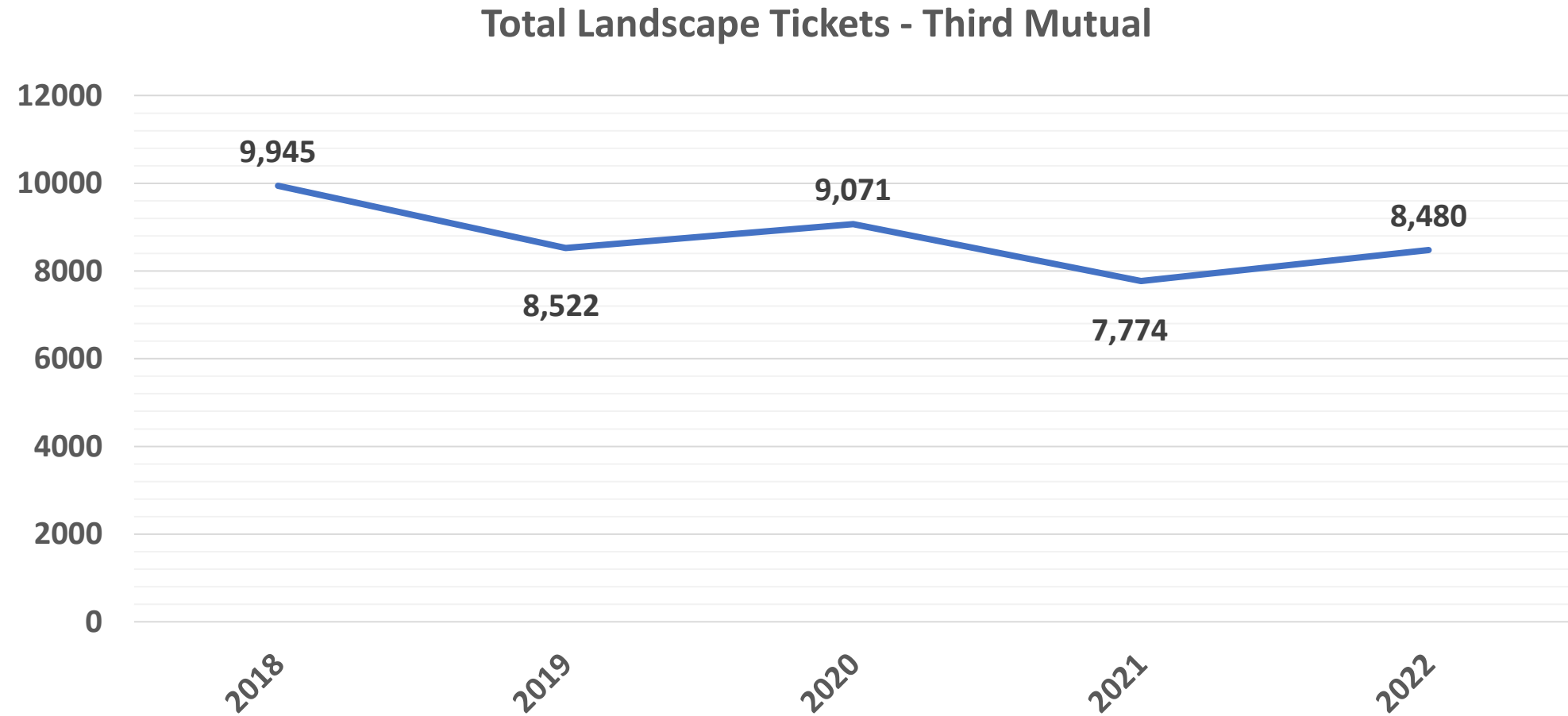
Miscellaneous Tasks

- Perform general cleanup
- Perform storm damage repair, cleanup; preparation
- Provide employee training
- Prepare areas for paint crew access
- Prepare exterior for fumigation
- 2023 miscellaneous tasks budget increased \$19,652, or 8%, from 2022 budget due to reallocation of hours and annual salary increases

Garden Villa Maintenance

- Water, prune mutual-owned container plants, raised planters
- Replace plants when material has died or outgrows planter (residents must maintain personal plants)
- 2023 Garden Villa maintenance budget increased \$3,447, or 5%, from 2022 budget due to annual salary increases

Landscaping Services - Total Third Tickets



Irrigation (WC 540)

2022 actuals: \$1,018,237; 2022 budget: \$1,040,845; 2023 budget: \$1,039,801

- Provide irrigation support to other landscaping maintenance sections
- Oversee 5,683 watering zones throughout Third Mutual via 223 irrigation controllers managed by a central irrigation computer through radio, telephone communication transmission technologies; weather-sensitized system adjusts watering schedules based on daily plant evapotranspiration rate fluctuations
- Maintain, clean landscaping drains throughout community regularly
- 2023 irrigation maintenance budget decreased (\$1,045), or (1%), from 2022 budget due to reallocation of hours, staff efficiencies

Small Equipment Repair (WC 550)

2022 actuals: \$231,976; 2022 budget: \$227,135; 2023 budget: \$208,268

- Support other crews by providing mower, small equipment maintenance, repair/delivery
- Order, receive supplies, materials used by crews to maintain lawns, slopes and shrub beds
- 2023 small equipment repair budget decreased (\$18,867), or (8%), from 2022 budget due to staff efficiencies

Pest Control (WC 560)

2022 actuals: \$391,191; 2022 budget: \$383,391; 2023 budget: \$413,642

- Provide pest control support to other landscape maintenance sections
- Use various methods to control various pests, including weeds, insects (including wasps, bees in landscaping), rodents and other vertebrates
- 2023 pest control budget increased \$30,251, or 8%, from 2022 budget due to addition of one FTE



Landscaping Services - Reserve Funds

DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - LANDSCAPE							
LANDSCAPE MODERNIZATION	\$797,341	\$837,542	\$422,111	\$523,702	\$541,671	\$17,969	3%
IMPROVEMENT & RESTORATION	0	0	120,344	129,214	177,744	48,530	38%
TREE MAINTENANCE	228,647	830,447	843,160	943,424	899,814	(43,610)	(5%)
TOTAL	\$1,025,988	\$1,667,989	\$1,385,615	\$1,596,340	\$1,619,229	\$22,889	1%

Landscaping Modernization (WC 530)

2022 actuals: \$614,885; 2022 budget: \$523,702; 2023 budget: \$541,671

- Modernization/Renovation programs included in budget designed to address specific areas of concern as determined by staff and landscaping committee
- Projects, including slopes, turf renovation, irrigation retrofitting, are funded through replacement fund; each program requires varying levels of time and materials, selected to be completed each year
- 2023 landscape modernization budget has increased \$17,969, or 3%, from 2022 budget due to increased outsourced slope work

Improvement and Restoration (WC 510)

2022 actuals: \$111,646; 2022 budget: \$129,214; 2023 budget: \$177,744

- Community landscape is aging, much past useful life; new-for-2021 work center replaces aging and dead plants, relandscapes turf areas difficult/dangerous to maintain, irrigate
- Some work previously performed by outside services
- 2023 budget increased \$48,530, or 38%, from 2022 budget due to cost-of-living increase and increased turf reduction projects

Tree Maintenance (WC 570)

2022 actuals: \$965,034; 2022 budget: \$943,424; 2023 budget: \$899,814

- Crews perform routine tree trimming on approximately 38,000 trees, supplemented by contractors
- Service level on a five-year rotating cycle based on specific trimming needs of each tree species
- Tree inventory maintained via Arbor Pro
- Starting in 2020, staff is supplemented by outside services to complete scheduled maintenance cycle in a cost-efficient, proactive manner

Landscaping Services - Disaster Fund

DESCRIPTION	2019	2020	2021	2022	2023	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
DISASTER FUND - LANDSCAPE							
FIRE RISK MANAGEMENT	\$31,335	\$106,597	\$83,108	\$180,000	\$180,000	\$0	0%
TOTAL	\$31,335	\$106,597	\$83,108	\$180,000	\$180,000	\$0	0%

Disaster Fund (WC 530)

2022 actuals: \$89,872; 2022 budget: \$180,000; 2023 budget: \$180,000

- Primarily used for fire fuel reduction on slopes, adjacent open space
- Tasks performed mostly by outside services
- Work consists of removing high-risk plant material from slopes within walls as well as nonnative overgrowth along perimeter of mutual boundaries to reduce wildfire risk

Budget Considerations

- Service levels increases
- Automatic irrigation master valves
- Legislation requiring elimination of gas-powered equipment



Questions